

**SUCCESSOR AGENCY  
TO THE COMMUNITY DEVELOPMENT COMMISSION  
OF THE CITY OF HUNTINGTON PARK**



**Regular Meeting Agenda  
Tuesday, May 1, 2018**

6:00 p.m.  
City Hall Council Chambers  
6550 Miles Avenue  
Huntington Park, CA 90255

**CALL TO ORDER**

**ROLL CALL**

Chair Jhonny Pineda  
Vice Chair Karina Macias  
Board Member Manuel "Manny" Avila  
Board Member Graciela Ortiz  
Board Member Marilyn Sanabria

**PUBLIC COMMENT**

*Pursuant to Government Code Section 54954.3(a) Members of the public will have an opportunity to address the Board Members on items listed on this agenda. For items on this agenda each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another.*



## **CONSENT CALENDAR**

*All matters listed under the Consent Calendar are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for separate action.*

### **1. Approve Minute(s) of the following Successor Agency Meeting:**

**1-1** Successor Agency Regular Meeting held Tuesday, April 3, 2018.

## **REGULAR AGENDA**

### **2. Consideration and Approval of a Resolution to Approve the Incurrence of a Loan (and Related Issuance of a Tax Allocation Note) to Refund Outstanding Indebtedness Incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area**

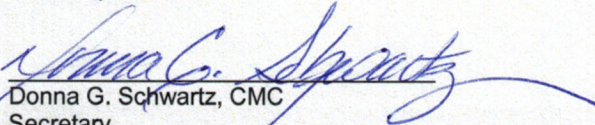
#### **RECOMMENDATION OF ITEM UNDER CONSIDERATION:**

1. Adopt Resolution No.SA2018-02, approving the Successor Agency's incurrence of a loan (and related issuance of a tax allocation note) to refund outstanding indebtedness incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area and taking related actions.

## **ADJOURNMENT**

The Successor Agency to the Community Development Commission of the City of Huntington Park will adjourn to a Regular Meeting on Tuesday, May 15, 2018, at 6:00 p.m.

I Donna G. Schwartz, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at City of Huntington Park City Hall and made available at [www.hpca.gov](http://www.hpca.gov) on the 26<sup>th</sup> of April 2018.

  
Donna G. Schwartz, CMC  
Secretary



## **MINUTES**

Regular Meeting of the  
Successor Agency to the Community Development Commission  
Of the City of Huntington Park  
Tuesday, April 3, 2018, at 6:00 p.m.

Sergeant at Arms read the Rules of Decorum before the start of both Successor Agency to the Community Development Commission and the City of Huntington Park City Council Regular Meeting.

The regular meeting of the Successor Agency to the Community Development Commission of the City of Huntington Park, California was called to order at 6:02 p.m. on Tuesday, April 3, 2018, in the Council Chambers of City Hall at 6550 Miles Avenue, Huntington Park, California; Chair Jhonny Pineda presiding.

PRESENT: Board Member(s): Graciela Ortiz, Vice Chair Karina Macias and Chair Jhonny Pineda. ABSENT: Board Member(s): Manuel "Manny" Avila and Marilyn Sanabria.

CITY OFFICIALS/STAFF: Ricardo Reyes, Interim Executive Director; Cosme Lozano, Chief of Police; Noel Tapia, Assistant City Attorney, Cynthia Norzagaray, Director of Parks and Recreation; Sergio Infanzon, Community Development Director; Martha Castillo, Human Resources Director; Daniel Hernandez, Director of Public Works; Nita McKay, Director of Finance and Donna G. Schwartz, Agency Secretary, City Clerk.

**PUBLIC COMMENT** - None

### **CONSENT CALENDAR**

Interim Executive Director Ricardo Reyes announced that copies of Regular Agenda Item 2 were available from the City Clerk.

**Motion:** Board Member Ortiz motioned to approve consent calendar, seconded by Vice Chair Macias. Motion passed 3-0-2, by the following vote:

ROLL CALL:

AYES: Board Member(s): Ortiz, Vice Chair Macias and Chair Pineda  
NOES: Board Member(s): None  
ABSENT: Board Member(s): Avila and Sanabria

1. Approved Minute(s) of the following Successor Agency Meeting:

1-1 Successor Agency Regular Meeting held Tuesday, March 20, 2018.

## **REGULAR AGENDA**

### **2. Consideration and Approval of Purchase and Sale Agreement for Property Located at 5959-6161 Alameda Avenue, Huntington Park, California (Southland Steel Property)**

Interim Executive Director Ricardo Reyes presented the item.

**Motion:** Vice Chair Macias motioned to authorize Executive Director of the Successor Agency to negotiate and execute purchase and sale agreement, seconded by Board Member Ortiz. Motion passed 3-0-2, by the following vote:

#### **ROLL CALL:**

AYES:	Board Member(s):	Ortiz, Vice Chair Macias and Chair Pineda
NOES:	Board Member(s):	None
ABSENT:	Board Member(s):	Avila and Sanabria

#### **ADJOURNMENT**

At 6:04 p.m. Chair Pineda adjourned the Successor Agency to the Community Development Commission of the City of Huntington Park to a Regular Meeting on Tuesday, April 17, 2018, at 6:00 p.m.

Respectfully submitted,

---

Donna G. Schwartz, CMC  
Agency Secretary



# CITY OF HUNTINGTON PARK

Finance Department  
Successor Agency Agenda Report

May 1, 2018

Honorable Chair and Members of the Successor Agency Board  
City of Huntington Park  
6550 Miles Avenue  
Huntington Park, CA 90255

Dear Members of the Board of Directors of the Successor Agency to the Community Development Commission of the City of Huntington Park:

**CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

**IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY BOARD:**

1. Adopt Resolution No. SA2018-02, approving the Successor Agency's incurrence of a loan (and related issuance of a tax allocation note) to refund outstanding indebtedness incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area and taking related actions.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

***Background***

The former Community Development Commission of the City of Huntington Park (the Former CDC) incurred two loans in 2007 (together, the 2007 Loans): (i) one in the principal amount of \$3,037,000, to refund prior loans incurred for the redevelopment of the Santa Fe Project Area (the 2007 Santa Fe Loan), and (ii) one in the principal amount of \$6,700,000, to finance the redevelopment of the Neighborhood Preservation Project Area (the 2007 Neighborhood Preservation Loan).

MUFG Union Bank, N.A. (formerly Union Bank of California, N.A.) (Union Bank) is the lender for both 2007 Loans. The 2007 Loans bear interest at variable rates which adjust

# **CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

May 1, 2018

Page 2 of 5

on a monthly basis. The Former CDC and Union Bank entered into an interest rate swap in connection with each 2007 Loan. The net effect of the swap agreements is to synthetically fix the annual interest rate on the 2007 Loans at 4.50%.

The 2007 Santa Fe Loan had an original maturity date of February 3, 2014. The 2007 Neighborhood Preservation Loan had an original maturity date of February 1, 2017. On each maturity date, the outstanding principal amount of the related loan would be due as a balloon payment. Each agreement also provides that, upon the Former CDC's request, Union Bank may (but is not obligated to) extend the term of the 2007 Loan periodically.

During the past few years, Union Bank has given the Successor Agency extensions with respect to both 2007 Loans. In January 2018, however, Union Bank indicated that it was agreeing to only one *last* extension to: (i) August 3, 2018 for the 2007 Santa Fe Loan, and (ii) August 1, 2018 for the 2007 Neighborhood Preservation Loan.

As the result, the outstanding principal amount of the Santa Fe Loan (currently \$1.84 million), plus accrued interest, would become due on August 3, 2018. The outstanding principal amount of the Neighborhood Preservation Loan (currently \$3.66 million), plus accrued interest, would become due on August 1, 2018. Furthermore, each swap would terminate on the maturity date of the related 2007 Loan. A swap termination amount would become due at the same time, creating a hardship for the Successor Agency.

Not having sufficient cash on hand by August 2018 to repay the 2007 Loans would place the Successor Agency in default. Because of this, it is necessary for the Successor Agency to seek a refunding of the 2007 Loans to avoid a default.

## ***Proposed Refunding***

Successor Agency staff has been working with Public Financial Management, Inc. (PFM), as Municipal Advisor, and Richards Watson & Gershon, as Special Counsel, and HdL Coren, as Fiscal Consultant, on the proposed refunding.

To achieve the best result, it is anticipated that the Successor Agency will incur a single loan (the 2018 Refunding Loan) to refund both 2007 Loans. The 2018 Refunding Loan will bear interest at a fixed rate and have a term of about 10 years. The Successor Agency will issue a tax allocation note (the 2018 Note) to evidence the 2018 Refunding Loan. The terms of the 2018 Refunding Loan will be governed by a loan agreement between the Successor Agency and the lending bank.

Pursuant to discussions between Successor Agency staff and the State Department of Finance (the DOF), the Successor Agency will apply the proceeds, in the amount of

**CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

May 1, 2018

Page 3 of 5

approximately \$2 million, from the sale of a property, known as the Carmelita Property, previously acquired with proceeds from the 2007 Neighborhood Preservation Loan, to the loan refunding.

The Successor Agency requested proposals from prospective banks for the loan refunding. Proposals were received from five prospective lenders: Compass Bank, California Bank & Trust, Municipal Finance Corporation, Opus Bank and Umpqua Bank. The indicative interest rates offered by these lenders ranged from 4.10% to 4.65% (as of the proposal date). Compass Bank offered the most favorable rate among the five proposals: an interest rate of 4.10% per annum, subject to adjustment before closing based on LIBOR. Compass Bank is a subsidiary of BBVA Compass Bancshares, Inc. BBVA Compass ranks among the 50 largest banks in the United States by total assets.

Successor Agency staff recommends that the Successor Agency Board adopt the attached Resolution, to authorize the incurrence of the 2018 Refunding Loan and the corresponding issuance of the 2018 Note.

The incurrence of the 2018 Refunding Loan is subject to the review and approval by the Oversight Board and the DOF. The Oversight Board has scheduled a meeting on May 9, 2018, to consider a resolution to approve the 2018 Refunding Loan. After the Oversight Board's action, Staff will submit the Oversight Board resolution to the DOF. By law, the DOF will have an initial 5 business day review period, during which the DOF will have the option, which they will likely exercise, to extend its review by another 60 days. It is expected that the DOF's approval will be received by early July, in time to close the refunding transaction before the 2007 Loans become due.

Because DOF has the option for a long review period, the attached Resolution sets forth parameters for the 2018 Refunding Loan, with respect to the principal amount, interest rate and maturity date that allow for a certain degree of interest rate fluctuations and market contingencies that may occur before the closing.

**CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

May 1, 2018

Page 4 of 5

***Government Code Section 5852.1 Disclosure***

Pursuant to Government Code Section 5852.1, which became effective January 1, 2018, the following good faith estimates from an underwriter, financial adviser, or private lender, must be disclosed at a public meeting before the governing body of a local government entity, including the Successor Agency, for the issuance of debt with a term greater than 13 months:

<i>Information to be disclosed per Government Code Section 5852.1:</i>	<i>Estimates for the 2018 Refunding Loan, per PFM estimates</i>
True interest cost of the debt (the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of debt)	4.10%
Finance charge of the debt (the sum of fees and charges paid to third parties)	\$98,500
Amount of proceeds received by the public body from the issuance of the debt, less the finance charge of the debt and any reserves or capitalized interest paid or funded with proceeds of the debt	\$3,871,508
The total payment amount (the sum total of all debt service payments, plus the finance charge not paid from debt proceeds)	\$4,746,716

**FISCAL IMPACT/FINANCING**

The Successor Agency does not have sufficient cash to repay the 2007 Loans and the swap termination amounts, in full, on their due dates. A successful refunding will allow the Successor Agency to avoid defaulting on these loans.

Based on current estimates, it is expected that, after application of the sale proceeds of the Carmelita Property, the principal amount of the 2018 Refunding Loan will be approximately \$4 million. The average annual debt service on the 2018 Note is estimated to be approximately \$500,000 per year. In contrast, if the Union Bank had agreed to keep extending the 2007 Loans, the combined average annual debt service on the 2007 Loans



**CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

May 1, 2018

Page 5 of 5

of approximately \$730,000 over a term of approximately ten years. The final maturity of the 2007 Loans is not being extended in connection with the refunding.

**CONCLUSION**

Upon Successor Agency Board approval, staff will move forward with seeking the Oversight Board's and the DOF's approval of the refunding. It is hoped and expected that the DOF's approval will be received by early July, in time to close the refunding transaction before the 2007 Loans become due.

Respectfully submitted,



RICARDO REYES  
Interim Executive Director



NITA MCKAY  
Director of Finance

**ATTACHMENT(S)**

- A. Resolution No. SA2018-02
- B. Draft Loan Agreement
- C. Municipal Advisor Report Regarding Refunding Estimates, as of April 20, 2018

# ATTACHMENT “A”

## **RESOLUTION NO. SA 2018-02**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK APPROVING THE SUCCESSOR AGENCY'S INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA AND TAKING RELATED ACTIONS**

**WHEREAS**, pursuant to authority granted under California Health and Safety Code ("HSC") Section 34100 et seq., the Community Development Commission of the City of Huntington Park (the "Former CDC") operated as a redevelopment agency under the Community Redevelopment Law (set forth in Part 1 of Division 24 of the HSC); and

**WHEREAS**, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Former CDC was dissolved as of February 1, 2012; the Successor Agency to the Community Development Commission of the City of Huntington Park (the "Successor Agency") was constituted as the successor to the Former CDC; and an Oversight Board to the Successor Agency (the "Oversight Board") was established; and

**WHEREAS**, to refinance redevelopment projects, the Former CDC obtained a loan in 2007 (the "2007 Santa Fe Loan") from MUFG Union Bank, N.A. (formerly, Union Bank of California, N.A.) ("Union Bank"), in the principal amount of \$3,037,000; and

**WHEREAS**, the 2007 Santa Fe Loan is governed by the terms of a Loan Agreement, dated as of February 1, 2007 (the "Original Santa Fe Loan Agreement"), by and between the Former CDC and Union Bank, as amended by two amendments, each by and between the Successor Agency and Union Bank: (i) an Amendment No. 1 to Loan Agreement, dated as of January 30, 2017, and (ii) an Amendment No. 2 to Loan Agreement, dated as of January 30, 2018 (the Original Santa Fe Loan Agreement, as so amended, being referred to herein as the "2007 Santa Fe Loan Agreement"); and

**WHEREAS**, pursuant to the 2007 Santa Fe Loan Agreement, the 2007 Santa Fe Loan will mature on August 3, 2018, on which date the full remaining principal amount of \$1,842,552.46, together with accrued interest, would become due and payable; and

**WHEREAS**, the 2007 Santa Fe Loan bears interest at a variable rate which adjusts on a monthly basis; and

**WHEREAS**, in connection with the 2007 Santa Fe Loan, the Former CDC and Union Bank entered into an interest rate swap arrangement (the "2007 Santa Fe Swap"), which, by its terms, would terminate concurrently with the 2007 Santa Fe Loan with a swap termination amount (the "2007 Santa Fe Swap Termination Amount") becoming due; and



**WHEREAS**, to finance redevelopment projects, the Former CDC obtained another loan in 2007 (the “2007 Neighborhood Preservation Loan” and, together with the 2007 Santa Fe Loan, the “2007 Loans”) from Union Bank in the principal amount of \$6,700,000; and

**WHEREAS**, the 2007 Neighborhood Preservation Loan is governed by the terms of a Loan Agreement, dated as of February 1, 2007 (the “Original Neighborhood Preservation Loan Agreement”), by and between the Former CDC and Union Bank, as amended by three amendments, each by and between the Successor Agency and Union Bank: (i) an Amendment No. 1 to Loan Agreement, dated as of January 30, 2014, (ii) an Amendment No. 2 to Loan Agreement, dated as of January 30, 2017, and (iii) an Amendment No. 3 to Loan Agreement, dated as of January 30, 2018 (the Original Neighborhood Preservation Loan Agreement, as so amended, being referred to herein as the “2007 Neighborhood Preservation Loan Agreement”); and

**WHEREAS**, pursuant to the 2007 Neighborhood Preservation Loan Agreement, the 2007 Neighborhood Preservation Loan will mature on August 3, 2018, on which date the full remaining principal amount of \$3,657,719.71, together with accrued interest, would become due and payable; and

**WHEREAS**, the 2007 Neighborhood Preservation Loan bears interest at a variable rate which adjusts on a monthly basis; and

**WHEREAS**, in connection with the 2007 Neighborhood Preservation Loan, the Former CDC and Union Bank entered into an interest rate swap arrangement (the “2007 Neighborhood Preservation Swap” and, together with the 2007 Santa Fe Swap, the “2007 Swaps”), which, by its terms, would terminate concurrently with the 2007 Neighborhood Preservation Loan with a swap termination amount (the “2007 Neighborhood Preservation Swap Termination Amount” and, together with the 2007 Santa Fe Swap Termination Amount, the “2007 Swap Termination Amounts”) becoming due; and

**WHEREAS**, pursuant to HSC Section 34177.5(b), the Successor Agency is authorized to incur indebtedness and issue tax allocation bonds (or notes) to finance debt service spikes (including balloon maturities); and

**WHEREAS**, in light of the upcoming maturity of the 2007 Loans and requirement to settle the 2007 Swap Termination Amounts, it is necessary for the Successor Agency to incur debt to pay (or prepay, if closing can be accomplished before the maturity date) the 2007 Loans and the 2007 Swap Termination Amounts (such refunding transaction being referred to herein as the “Refunding”); and

**WHEREAS**, in that connection, the Successor Agency will obtain a loan (the “Refunding Loan”) pursuant to a loan agreement (the “Refunding Loan Agreement”), which Refunding Loan will be evidenced by a tax allocation note (the “Tax Allocation Refunding Note”) to be issued in favor of Compass Bank, as the lender (or another bank or lending entity selected by the Executive Director (or Interim Executive Director), in consultation with the Successor Agency’s municipal advisor and legal counsel); and

**WHEREAS**, repayment of the Refunding Loan will be secured by a pledge of property tax revenues as provided in the Refunding Loan Agreement; and

**WHEREAS**, pursuant to discussion between Successor Agency Staff and the State Department of Finance representatives, the Successor Agency will apply the proceeds, in the amount of approximately \$2 million, from the sale of a property previously acquired with proceeds from the Neighborhood Preservation Loan (the "Carmelita Property") to the refunding of the Neighborhood Preservation Loan; and

**WHEREAS**, the Refunding Loan will be incurred (and the Tax Allocation Refunding Note will be issued) under the authority of HSC Section 34177.5 and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code; and

**WHEREAS**, pursuant to HSC Sections 34177.5(f) and 34180, the incurrence of the Refunding Loan and the related issuance of the Tax Allocation Refunding Note are subject to the Oversight Board's prior approval;

**NOW THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, HEREBY FINDS, DECLARES AND RESOLVES AS FOLLOWS:**

**SECTION 1.** The above recitals are true and correct and are a substantive part of this Resolution.

**SECTION 2.** The incurrence of the Refunding Loan and the related issuance of the Tax Allocation Refunding Note are hereby approved and authorized, subject to the following parameters: (i) the principal amount thereof shall not exceed \$5,000,000; (ii) the interest rate (in absence of any default) shall not exceed 5.00 per annum, and (iii) the last maturity date of the Refunding Loan shall occur not later than the end of calendar year 2028.

**SECTION 3.** The form of the Refunding Loan Agreement to be executed by the Successor Agency and a lender to be selected by the Executive Director (or Interim Executive Director), in the form on file with the Secretary of the Successor Agency, is hereby approved. Each of the Chair of this Board (or, in the Chair's absence, the Vice Chair) and the Executive Director of the Successor Agency (together, the "Authorized Officers," each being an "Authorized Officer"), acting individually, is authorized, for and in the name and on behalf of the Successor Agency, to execute and deliver the Loan Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof).

**SECTION 4.** In connection with the Refunding, the appointment of the following firms is hereby approved and affirmed: (i) Public Financial Management, Inc., as municipal advisor, (ii) Richards, Watson & Gershon, A Professional Corporation, as special counsel, and (iii) HdL Coren & Cone, as fiscal consultant.

**SECTION 5.** The Executive Director (or Interim Executive Director) is authorized to execute such written instruments and take other such actions as determined by the Executive Director to be beneficial or necessary to effect the Refunding, to request or affirm the subordination of obligations owing to other parties (including one or more relevant taxing entities) to payments under the Refunding Loan Agreement with respect to the pledge of property tax revenues.

**SECTION 6.** The application of the proceeds from the sale of the Carmelita Property toward the refunding of the Neighborhood Preservation Loan is hereby approved.

**SECTION 7.** The Oversight Board is hereby requested to approve this Resolution and approve: (i) the Successor Agency's incurrence of the Refunding Loan and the related issuance of the Tax Allocation Refunding Note; (ii) the Successor Agency's execution and delivery of the Loan Agreement; and (iii) the pledge of the property tax revenues to secure the repayment of the Refunding Loan pursuant to the terms of the Refunding Loan Agreement. The Agency Secretary is hereby directed to transmit this Resolution to the Oversight Board for consideration at the earliest possible date.

**SECTION 8.** Reference is hereby made to the City of the Huntington Park's Debt Issuance and Management Policy (the "Debt Policy"), as approved by the City Council on the same date as the adoption of this Resolution. It is hereby affirmed that the Debt Policy applies to the Successor Agency, and the incurrence of the 2018 Refunding Loan is consistent with the Debt Policy.

**SECTION 9.** The Authorized Officers, the Finance Officer, and all other officers of the Successor Agency, are hereby authorized, jointly and severally, to execute and deliver any and all necessary instruments, and to do all things which they may deem necessary or proper, to effectuate the purposes of this Resolution and consummate the Refunding and all such actions previously taken by such officers are hereby ratified.

**PASSED AND ADOPTED** this 1st day of May, 2018.

---

Chair

---

Secretary



## ATTACHMENT “B”



# CITY OF HUNTINGTON PARK

Finance Department  
Successor Agency Agenda Report

May 1, 2018

Honorable Chair and Members of the Successor Agency Board  
City of Huntington Park  
6550 Miles Avenue  
Huntington Park, CA 90255

Dear Members of the Board of Directors of the Successor Agency to the Community Development Commission of the City of Huntington Park:

**CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

**IT IS RECOMMENDED THAT THE SUCCESSOR AGENCY BOARD:**

1. Adopt Resolution No. SA2018-02, approving the Successor Agency's incurrence of a loan (and related issuance of a tax allocation note) to refund outstanding indebtedness incurred in 2007 for the Santa Fe Project Area and the Neighborhood Preservation Project Area and taking related actions.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

***Background***

The former Community Development Commission of the City of Huntington Park (the Former CDC) incurred two loans in 2007 (together, the 2007 Loans): (i) one in the principal amount of \$3,037,000, to refund prior loans incurred for the redevelopment of the Santa Fe Project Area (the 2007 Santa Fe Loan), and (ii) one in the principal amount of \$6,700,000, to finance the redevelopment of the Neighborhood Preservation Project Area (the 2007 Neighborhood Preservation Loan).

MUFG Union Bank, N.A. (formerly Union Bank of California, N.A.) (Union Bank) is the lender for both 2007 Loans. The 2007 Loans bear interest at variable rates which adjust

# **CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

May 1, 2018

Page 2 of 5

on a monthly basis. The Former CDC and Union Bank entered into an interest rate swap in connection with each 2007 Loan. The net effect of the swap agreements is to synthetically fix the annual interest rate on the 2007 Loans at 4.50%.

The 2007 Santa Fe Loan had an original maturity date of February 3, 2014. The 2007 Neighborhood Preservation Loan had an original maturity date of February 1, 2017. On each maturity date, the outstanding principal amount of the related loan would be due as a balloon payment. Each agreement also provides that, upon the Former CDC's request, Union Bank may (but is not obligated to) extend the term of the 2007 Loan periodically.

During the past few years, Union Bank has given the Successor Agency extensions with respect to both 2007 Loans. In January 2018, however, Union Bank indicated that it was agreeing to only one *last* extension to: (i) August 3, 2018 for the 2007 Santa Fe Loan, and (ii) August 1, 2018 for the 2007 Neighborhood Preservation Loan.

As the result, the outstanding principal amount of the Santa Fe Loan (currently \$1.84 million), plus accrued interest, would become due on August 3, 2018. The outstanding principal amount of the Neighborhood Preservation Loan (currently \$3.66 million), plus accrued interest, would become due on August 1, 2018. Furthermore, each swap would terminate on the maturity date of the related 2007 Loan. A swap termination amount would become due at the same time, creating a hardship for the Successor Agency.

Not having sufficient cash on hand by August 2018 to repay the 2007 Loans would place the Successor Agency in default. Because of this, it is necessary for the Successor Agency to seek a refunding of the 2007 Loans to avoid a default.

## ***Proposed Refunding***

Successor Agency staff has been working with Public Financial Management, Inc. (PFM), as Municipal Advisor, and Richards Watson & Gershon, as Special Counsel, and HdL Coren, as Fiscal Consultant, on the proposed refunding.

To achieve the best result, it is anticipated that the Successor Agency will incur a single loan (the 2018 Refunding Loan) to refund both 2007 Loans. The 2018 Refunding Loan will bear interest at a fixed rate and have a term of about 10 years. The Successor Agency will issue a tax allocation note (the 2018 Note) to evidence the 2018 Refunding Loan. The terms of the 2018 Refunding Loan will be governed by a loan agreement between the Successor Agency and the lending bank.

Pursuant to discussions between Successor Agency staff and the State Department of Finance (the DOF), the Successor Agency will apply the proceeds, in the amount of



**CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

May 1, 2018

Page 3 of 5

approximately \$2 million, from the sale of a property, known as the Carmelita Property, previously acquired with proceeds from the 2007 Neighborhood Preservation Loan, to the loan refunding.

The Successor Agency requested proposals from prospective banks for the loan refunding. Proposals were received from five prospective lenders: Compass Bank, California Bank & Trust, Municipal Finance Corporation, Opus Bank and Umpqua Bank. The indicative interest rates offered by these lenders ranged from 4.10% to 4.65% (as of the proposal date). Compass Bank offered the most favorable rate among the five proposals: an interest rate of 4.10% per annum, subject to adjustment before closing based on LIBOR. Compass Bank is a subsidiary of BBVA Compass Bancshares, Inc. BBVA Compass ranks among the 50 largest banks in the United States by total assets.

Successor Agency staff recommends that the Successor Agency Board adopt the attached Resolution, to authorize the incurrence of the 2018 Refunding Loan and the corresponding issuance of the 2018 Note.

The incurrence of the 2018 Refunding Loan is subject to the review and approval by the Oversight Board and the DOF. The Oversight Board has scheduled a meeting on May 9, 2018, to consider a resolution to approve the 2018 Refunding Loan. After the Oversight Board's action, Staff will submit the Oversight Board resolution to the DOF. By law, the DOF will have an initial 5 business day review period, during which the DOF will have the option, which they will likely exercise, to extend its review by another 60 days. It is expected that the DOF's approval will be received by early July, in time to close the refunding transaction before the 2007 Loans become due.

Because DOF has the option for a long review period, the attached Resolution sets forth parameters for the 2018 Refunding Loan, with respect to the principal amount, interest rate and maturity date that allow for a certain degree of interest rate fluctuations and market contingencies that may occur before the closing.

**CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

May 1, 2018

Page 4 of 5

***Government Code Section 5852.1 Disclosure***

Pursuant to Government Code Section 5852.1, which became effective January 1, 2018, the following good faith estimates from an underwriter, financial adviser, or private lender, must be disclosed at a public meeting before the governing body of a local government entity, including the Successor Agency, for the issuance of debt with a term greater than 13 months:

<i>Information to be disclosed per Government Code Section 5852.1:</i>	<i>Estimates for the 2018 Refunding Loan, per PFM estimates</i>
True interest cost of the debt (the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of debt)	4.10%
Finance charge of the debt (the sum of fees and charges paid to third parties)	\$98,500
Amount of proceeds received by the public body from the issuance of the debt, less the finance charge of the debt and any reserves or capitalized interest paid or funded with proceeds of the debt	\$3,871,508
The total payment amount (the sum total of all debt service payments, plus the finance charge not paid from debt proceeds)	\$4,746,716

**FISCAL IMPACT/FINANCING**

The Successor Agency does not have sufficient cash to repay the 2007 Loans and the swap termination amounts, in full, on their due dates. A successful refunding will allow the Successor Agency to avoid defaulting on these loans.

Based on current estimates, it is expected that, after application of the sale proceeds of the Carmelita Property, the principal amount of the 2018 Refunding Loan will be approximately \$4 million. The average annual debt service on the 2018 Note is estimated to be approximately \$500,000 per year. In contrast, if the Union Bank had agreed to keep extending the 2007 Loans, the combined average annual debt service on the 2007 Loans

**CONSIDERATION AND APPROVAL OF A RESOLUTION TO APPROVE THE INCURRENCE OF A LOAN (AND RELATED ISSUANCE OF A TAX ALLOCATION NOTE) TO REFUND OUTSTANDING INDEBTEDNESS INCURRED IN 2007 FOR THE SANTA FE PROJECT AREA AND THE NEIGHBORHOOD PRESERVATION PROJECT AREA**

May 1, 2018

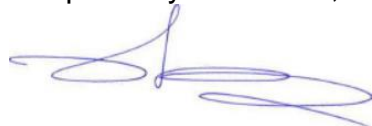
Page 5 of 5

of approximately \$730,000 over a term of approximately ten years. The final maturity of the 2007 Loans is not being extended in connection with the refunding.


**CONCLUSION**

Upon Successor Agency Board approval, staff will move forward with seeking the Oversight Board's and the DOF's approval of the refunding. It is hoped and expected that the DOF's approval will be received by early July, in time to close the refunding transaction before the 2007 Loans become due.

Respectfully submitted,

A handwritten signature in purple ink, appearing to read 'Ricardo Reyes', with a stylized flourish at the end.

RICARDO REYES  
Interim Executive Director

A handwritten signature in blue ink, appearing to read 'Nita McKay', with a stylized flourish at the end.

NITA MCKAY  
Director of Finance

**ATTACHMENT(S)**

- A. Resolution No. SA2018-02
- B. Draft Loan Agreement
- C. Municipal Advisor Report Regarding Refunding Estimates, as of April 20, 2018

## ATTACHMENT “C”

# **Attachment C**

## **Municipal Advisor's Analysis**



# **City of Huntington Park, California**

Successor Agency to the Community  
Development Commission of the City of  
Huntington Park

Taxable Allocation Refunding Note,  
2018 (Santa Fe & Neighborhood  
Preservation Redevelopment Projects)  
("2018 Note")

## Summary Refunding Analysis

The 2018 Note will refund two loans entered into between the former Community Development Commission of Huntington Park and Union Bank in 2007 (the "2007 Loans"). The 2007 Loans were structured with initial stated maturity dates between seven and 10-years after issuance and a nominal maturity structure that extended through calendar year 2027. While the 2007 Loans were expected to be extended periodically, the lender has provided non-renewal notice, resulting in the 2007 Loans having stated maturity dates of August 1, 2018 (\$3.66 million) and August 3, 2018 (\$1.84 million), necessitating a refinancing.

The following table provides a summary of the nominal maturity structure of the 2007 Loans that will be refunded with proceeds of the 2018 Note. This reflects the maturity structure that would have been otherwise been due had the 2007 Loans been extended through final nominal maturity, as contemplated when the loans were executed in 2007.

### Summary of Bonds Refunded

#### 2007 Loan Agreement (Neighborhood Preservation)

Component	Maturity	Par Amount
Serial Bond	2/1/2019	\$346,338
Serial Bond	2/1/2020	360,018
Serial Bond	2/1/2021	374,239
Serial Bond	2/1/2022	389,021
Serial Bond	2/1/2023	404,387
Serial Bond	2/1/2024	420,361
Serial Bond	2/1/2025	436,965
Serial Bond	2/1/2026	454,225
Serial Bond	2/1/2027	472,167
<b>Total</b>		<b>\$3,657,720</b>

#### 2007 Loan Agreement (Santa Fe)

Component	Maturity	Par Amount
Serial Bond	10/1/2018	\$150,434
Serial Bond	10/1/2019	157,098
Serial Bond	10/1/2020	164,057
Serial Bond	10/1/2021	171,325
Serial Bond	10/1/2022	178,915
Serial Bond	10/1/2023	186,841
Serial Bond	10/1/2024	195,118
Serial Bond	10/1/2025	203,762
Serial Bond	10/1/2026	212,788
Serial Bond	10/1/2027	222,215
<b>Total</b>		<b>\$1,842,552</b>

## Preliminary Refunding Debt Service Comparison

The 2007 Loans were structured with generally level debt service, taking into account the nominal maturity structure and the effect of two interest rate swaps. The debt service of the 2018 Note is structured to mirror the prior debt service of the 2007 Loans and includes the use of approximately \$2.1 million of property sale proceeds to reduce the size of the 2018 Note.

The table below shows a comparison of the debt service on the 2007 Loans to the estimated debt service on the 2018 Note.

Bond Year	Prior Debt Service <sup>1</sup>			County Tax Increment <sup>2</sup>	2018 Note <sup>3</sup>	Net Savings
	NHB Loan	Santa Fe Loan	Total			
2/1/2019	442,353	196,544	638,897	-647,627	512,234	774,290
2/1/2020	509,030	230,887	739,917		502,346	237,571
2/1/2021	507,050	230,673	737,723		507,308	230,415
2/1/2022	504,992	230,449	735,440		501,549	233,891
2/1/2023	502,852	230,215	733,067		500,275	232,792
2/1/2024	500,628	229,971	730,599		493,589	237,010
2/1/2025	498,316	229,716	728,032		491,285	236,747
2/1/2026	495,913	229,450	725,362		493,363	231,999
2/1/2027	493,414	229,172	722,586		489,617	232,969
2/1/2028		228,881	228,881		255,150	-26,269
<b>Total</b>	<b>4,454,547</b>	<b>2,265,956</b>	<b>6,720,503</b>	<b>(647,627)</b>	<b>4,746,716</b>	<b>2,621,414</b>

<sup>1</sup> Prior debt service reflects nominal amortization of the 2007 Loans and includes the net payments under the interest rate swap agreements, which effectively fixed the interest rate on the 2007 Loans at 4.5% per annum.

<sup>2</sup> Anticipated RPTTF receipts in June 2018 and January 2019.

<sup>3</sup> Pro forma debt service on the 2018 Note. Includes the use of approximately \$2.1 million of property sale proceeds applied to the refinancing to reduce the size of the 2018 Note.

## **Attachment**

Preliminary Refunding Detailed Cash Flows

## TABLE OF CONTENTS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018  
\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

Report	Page
Taxable Tax Allocation Refunding Note, 2018	
Sources and Uses of Funds . . . . .	1
Summary of Refunding Results . . . . .	3
Summary of Bonds Refunded . . . . .	4
Bond Summary Statistics . . . . .	5
Bond Pricing . . . . .	6
Bond Debt Service . . . . .	7
Net Debt Service . . . . .	8
Savings . . . . .	9
Neighborhood Preservation Refunding 2018	
Bond Debt Service . . . . .	10
Net Debt Service . . . . .	11
Savings . . . . .	12
Prior Bond Debt Service . . . . .	13
Escrow Requirements . . . . .	14
Santa Fe Refunding 2018	
Bond Debt Service . . . . .	15
Net Debt Service . . . . .	16
Savings . . . . .	17
Prior Bond Debt Service . . . . .	18
Escrow Requirements . . . . .	19



## SOURCES AND USES OF FUNDS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018  
\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

## Sources:

Bond Proceeds:	
Par Amount	3,970,000.00
Other Sources of Funds:	
Property Sale Proceeds (Cash)	2,124,745.00
County Tax Increment (June Payment)	71,326.00
	<u>2,196,071.00</u>
	6,166,071.00

## Uses:

Refunding Escrow Deposits:	
Cash Deposit	5,512,647.78
Delivery Date Expenses:	
Cost of Issuance	98,492.50
Swap Termination Fee	554,383.00
	<u>652,875.50</u>
Other Uses of Funds:	
Additional Proceeds	547.72
	<u>6,166,071.00</u>

## Notes:

- Interest rates are based on BBVA terms indexed to 5-year LIBOR + 1.24%
- Property sale proceeds assumed to be \$2,124,745 per DOF ROPs Letter dated March 5, 2017
- Assumes accrued interest and swap terminations are paid with loan proceeds

## SOURCES AND USES OF FUNDS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018

\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

Sources:	Neighborhood Preservation Refunding 2018	Santa Fe Refunding 2018	Total
Bond Proceeds:			
Par Amount	1,885,000.00	2,085,000.00	3,970,000.00
Other Sources of Funds:			
Property Sale Proceeds (Cash)	2,124,745.00		2,124,745.00
County Tax Increment (June Payment)	71,326.00		71,326.00
	<u>2,196,071.00</u>		<u>2,196,071.00</u>
	4,081,071.00	2,085,000.00	6,166,071.00
<hr/>			
Uses:	Neighborhood Preservation Refunding 2018	Santa Fe Refunding 2018	Total
Refunding Escrow Deposits:			
Cash Deposit	3,665,949.58	1,846,698.20	5,512,647.78
Delivery Date Expenses:			
Cost of Issuance	46,765.33	51,727.17	98,492.50
Swap Termination Fee	364,430.00	189,953.00	554,383.00
	<u>411,195.33</u>	<u>241,680.17</u>	<u>652,875.50</u>
Other Uses of Funds:			
Additional Proceeds	3,926.09	-3,378.37	547.72
	4,081,071.00	2,085,000.00	6,166,071.00

Notes:

- a. Interest rates are based on BBVA terms indexed to 5-year LIBOR + 1.24%
- b. Property sale proceeds assumed to be \$2,124,745 per DOF ROPs Letter dated March 5, 2017
- c. Assumes accrued interest and swap terminations are paid with loan proceeds

## SUMMARY OF REFUNDING RESULTS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018

\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

	Neighborhood Preservation Refunding 2018	Santa Fe Refunding 2018	Total
Dated Date	07/19/2018	07/19/2018	07/19/2018
Delivery Date	07/19/2018	07/19/2018	07/19/2018
Arbitrage Yield	4.119646%	4.119646%	4.119646%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	1,885,000.00	2,085,000.00	3,970,000.00
True Interest Cost	4.119615%	4.119670%	4.119646%
Net Interest Cost	4.120000%	4.120000%	4.120000%
Average Coupon	4.120000%	4.120000%	4.120000%
Average Life	4.333	5.124	4.749
Par amount of refunded bonds	3,657,719.71	1,842,552.46	5,500,272.17
Average coupon of refunded bonds	4.500000%	4.500000%	4.500000%
Average life of refunded bonds	4.791	5.056	4.880
PV of prior debt	3,730,242.96	1,880,554.19	5,610,797.15
Net PV Savings	59,242.94	21,836.97	81,079.91
Percentage savings of refunded bonds	1.619669%	1.185148%	1.474107%
Percentage savings of refunding bonds	3.142862%	1.047337%	2.042315%

# SUMMARY OF BONDS REFUNDED

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018

\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2007 Loan Agreement, NP_2007:					
BOND	02/01/2019	4.500%	346,337.54	07/19/2018	100.000
	02/01/2020	4.500%	360,017.87	07/19/2018	100.000
	02/01/2021	4.500%	374,238.58	07/19/2018	100.000
	02/01/2022	4.500%	389,021.00	07/19/2018	100.000
	02/01/2023	4.500%	404,387.33	07/19/2018	100.000
	02/01/2024	4.500%	420,360.63	07/19/2018	100.000
	02/01/2025	4.500%	436,964.88	07/19/2018	100.000
	02/01/2026	4.500%	454,224.99	07/19/2018	100.000
	02/01/2027	4.500%	472,166.89	07/19/2018	100.000
			3,657,719.71		
Santa Fe Loan Agreement, SF_2007:					
BOND	10/01/2018	4.500%	150,433.77	07/19/2018	100.000
	10/01/2019	4.500%	157,097.99	07/19/2018	100.000
	10/01/2020	4.500%	164,057.43	07/19/2018	100.000
	10/01/2021	4.500%	171,325.18	07/19/2018	100.000
	10/01/2022	4.500%	178,914.88	07/19/2018	100.000
	10/01/2023	4.500%	186,840.81	07/19/2018	100.000
	10/01/2024	4.500%	195,117.86	07/19/2018	100.000
	10/01/2025	4.500%	203,761.58	07/19/2018	100.000
	10/01/2026	4.500%	212,788.22	07/19/2018	100.000
	10/01/2027	4.500%	222,214.74	07/19/2018	100.000
			1,842,552.46		
			5,500,272.17		

# BOND SUMMARY STATISTICS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018  
\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

Dated Date	07/19/2018
Delivery Date	07/19/2018
Last Maturity	08/01/2027
Arbitrage Yield	4.119646%
True Interest Cost (TIC)	4.119646%
Net Interest Cost (NIC)	4.120000%
All-In TIC	8.667290%
Average Coupon	4.120000%
Average Life (years)	4.749
Duration of Issue (years)	4.234
Par Amount	3,970,000.00
Bond Proceeds	3,970,000.00
Total Interest	776,716.13
Net Interest	776,716.13
Total Debt Service	4,746,716.13
Maximum Annual Debt Service	512,234.13
Average Annual Debt Service	525,466.73
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	3,970,000.00	100.000	4.120%	4.749
	3,970,000.00			4.749

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,970,000.00	3,970,000.00	3,970,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-98,492.50	
- Other Amounts		-554,383.00	
Target Value	3,970,000.00	3,317,124.50	3,970,000.00
Target Date	07/19/2018	07/19/2018	07/19/2018
Yield	4.119646%	8.667290%	4.119646%



# BOND PRICING

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018  
\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	02/01/2019	425,000	4.120%	4.120%	100.000
	08/01/2019	180,000	4.120%	4.120%	100.000
	02/01/2020	180,000	4.120%	4.120%	100.000
	08/01/2020	190,000	4.120%	4.120%	100.000
	02/01/2021	190,000	4.120%	4.120%	100.000
	08/01/2021	195,000	4.120%	4.120%	100.000
	02/01/2022	195,000	4.120%	4.120%	100.000
	08/01/2022	205,000	4.120%	4.120%	100.000
	02/01/2023	200,000	4.120%	4.120%	100.000
	08/01/2023	205,000	4.120%	4.120%	100.000
	02/01/2024	210,000	4.120%	4.120%	100.000
	08/01/2024	215,000	4.120%	4.120%	100.000
	02/01/2025	215,000	4.120%	4.120%	100.000
	08/01/2025	225,000	4.120%	4.120%	100.000
	02/01/2026	225,000	4.120%	4.120%	100.000
	08/01/2026	235,000	4.120%	4.120%	100.000
	02/01/2027	230,000	4.120%	4.120%	100.000
	08/01/2027	250,000	4.120%	4.120%	100.000
	02/01/2028		4.120%	4.120%	100.000
		3,970,000			

Dated Date	07/19/2018	
Delivery Date	07/19/2018	
First Coupon	02/01/2019	
Par Amount	3,970,000.00	
Original Issue Discount		
Production	3,970,000.00	100.000000%
Underwriter's Discount		
Purchase Price	3,970,000.00	100.000000%
Accrued Interest		
Net Proceeds	3,970,000.00	

# BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018

\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2019	425,000	4.120%	87,234.13	512,234.13	512,234.13
08/01/2019	180,000	4.120%	73,027.00	253,027.00	
02/01/2020	180,000	4.120%	69,319.00	249,319.00	502,346.00
08/01/2020	190,000	4.120%	65,611.00	255,611.00	
02/01/2021	190,000	4.120%	61,697.00	251,697.00	507,308.00
08/01/2021	195,000	4.120%	57,783.00	252,783.00	
02/01/2022	195,000	4.120%	53,766.00	248,766.00	501,549.00
08/01/2022	205,000	4.120%	49,749.00	254,749.00	
02/01/2023	200,000	4.120%	45,526.00	245,526.00	500,275.00
08/01/2023	205,000	4.120%	41,406.00	246,406.00	
02/01/2024	210,000	4.120%	37,183.00	247,183.00	493,589.00
08/01/2024	215,000	4.120%	32,857.00	247,857.00	
02/01/2025	215,000	4.120%	28,428.00	243,428.00	491,285.00
08/01/2025	225,000	4.120%	23,999.00	248,999.00	
02/01/2026	225,000	4.120%	19,364.00	244,364.00	493,363.00
08/01/2026	235,000	4.120%	14,729.00	249,729.00	
02/01/2027	230,000	4.120%	9,888.00	239,888.00	489,617.00
08/01/2027	250,000	4.120%	5,150.00	255,150.00	
02/01/2028					255,150.00
	3,970,000		776,716.13	4,746,716.13	4,746,716.13

NET DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018  
\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

Date	Total Debt Service	Tax Increment from County	General Fund	Net Debt Service
07/01/2018		-191,891	-191,891.00	
01/01/2019		-455,736	-455,736.00	
02/01/2019	512,234.13		512,234.13	
08/01/2019	253,027.00		135,392.87	117,634.13
02/01/2020	249,319.00			249,319.00
08/01/2020	255,611.00			255,611.00
02/01/2021	251,697.00			251,697.00
08/01/2021	252,783.00			252,783.00
02/01/2022	248,766.00			248,766.00
08/01/2022	254,749.00			254,749.00
02/01/2023	245,526.00			245,526.00
08/01/2023	246,406.00			246,406.00
02/01/2024	247,183.00			247,183.00
08/01/2024	247,857.00			247,857.00
02/01/2025	243,428.00			243,428.00
08/01/2025	248,999.00			248,999.00
02/01/2026	244,364.00			244,364.00
08/01/2026	249,729.00			249,729.00
02/01/2027	239,888.00			239,888.00
08/01/2027	255,150.00			255,150.00
	4,746,716.13	-647,627	0.00	4,099,089.13

## SAVINGS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Taxable Tax Allocation Refunding Note, 2018  
\*\*\*PRELIMINARY SUBJECT TO CHANGE\*\*\*

Date	Prior Debt Service	Refunding Debt Service	Refunding Expenses	Refunding Net Cash Flow	Savings	Present Value to 07/19/2018 @ 4.1196464%
02/01/2019	638,896.97	512,234.13	-647,627.00	-135,392.87	774,289.84	767,124.07
02/01/2020	739,916.94	502,346.00		502,346.00	237,570.94	224,288.82
02/01/2021	737,722.53	507,308.00		507,308.00	230,414.53	208,512.76
02/01/2022	735,440.26	501,549.00		501,549.00	233,891.26	202,930.21
02/01/2023	733,066.85	500,275.00		500,275.00	232,791.85	193,563.04
02/01/2024	730,598.64	493,589.00		493,589.00	237,009.64	189,021.11
02/01/2025	728,031.78	491,285.00		491,285.00	236,746.78	180,933.89
02/01/2026	725,362.21	493,363.00		493,363.00	231,999.21	169,885.38
02/01/2027	722,585.99	489,617.00		489,617.00	232,968.99	163,462.16
02/01/2028	228,881.22	255,150.00		255,150.00	-26,268.78	-19,192.16
	6,720,503.39	4,746,716.13	-647,627.00	4,099,089.13	2,621,414.26	2,280,529.28

### Savings Summary

PV of savings from cash flow	2,280,529.28
Less: Prior funds on hand	-2,196,071.00
Plus: Refunding funds on hand	-3,378.37
Net PV Savings	81,079.91

# BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park  
Neighborhood Preservation Refunding 2018

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2019	260,000	4.120%	41,419.73	301,419.73	301,419.73
08/01/2019	90,000	4.120%	33,475.00	123,475.00	
02/01/2020	90,000	4.120%	31,621.00	121,621.00	245,096.00
08/01/2020	95,000	4.120%	29,767.00	124,767.00	
02/01/2021	95,000	4.120%	27,810.00	122,810.00	247,577.00
08/01/2021	100,000	4.120%	25,853.00	125,853.00	
02/01/2022	95,000	4.120%	23,793.00	118,793.00	244,646.00
08/01/2022	100,000	4.120%	21,836.00	121,836.00	
02/01/2023	100,000	4.120%	19,776.00	119,776.00	241,612.00
08/01/2023	100,000	4.120%	17,716.00	117,716.00	
02/01/2024	105,000	4.120%	15,656.00	120,656.00	238,372.00
08/01/2024	105,000	4.120%	13,493.00	118,493.00	
02/01/2025	105,000	4.120%	11,330.00	116,330.00	234,823.00
08/01/2025	110,000	4.120%	9,167.00	119,167.00	
02/01/2026	110,000	4.120%	6,901.00	116,901.00	236,068.00
08/01/2026	115,000	4.120%	4,635.00	119,635.00	
02/01/2027	110,000	4.120%	2,266.00	112,266.00	231,901.00
	1,885,000		336,514.73	2,221,514.73	2,221,514.73

# NET DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park  
Neighborhood Preservation Refunding 2018

Date	Total Debt Service	Tax Increment from County	General Fund	Net Debt Service
01/01/2019		-417,663	-417,663.00	
02/01/2019	301,419.73		301,419.73	
08/01/2019	123,475.00		116,243.27	7,231.73
02/01/2020	121,621.00			121,621.00
08/01/2020	124,767.00			124,767.00
02/01/2021	122,810.00			122,810.00
08/01/2021	125,853.00			125,853.00
02/01/2022	118,793.00			118,793.00
08/01/2022	121,836.00			121,836.00
02/01/2023	119,776.00			119,776.00
08/01/2023	117,716.00			117,716.00
02/01/2024	120,656.00			120,656.00
08/01/2024	118,493.00			118,493.00
02/01/2025	116,330.00			116,330.00
08/01/2025	119,167.00			119,167.00
02/01/2026	116,901.00			116,901.00
08/01/2026	119,635.00			119,635.00
02/01/2027	112,266.00			112,266.00
	2,221,514.73	-417,663	0.00	1,803,851.73

## SAVINGS

### Successor Agency to the Community Development Commission of the City of Huntington Park Neighborhood Preservation Refunding 2018

Date	Prior Debt Service	Refunding Debt Service	Refunding Expenses	Refunding Net Cash Flow	Savings	Present Value to 07/19/2018 @ 4.1196464%
02/01/2019	442,352.69	301,419.73	-417,663.00	-116,243.27	558,595.96	548,934.61
02/01/2020	509,030.03	245,096.00		245,096.00	263,934.03	248,198.02
02/01/2021	507,050.02	247,577.00		247,577.00	259,473.02	233,956.76
02/01/2022	504,991.64	244,646.00		244,646.00	260,345.64	225,068.45
02/01/2023	502,852.01	241,612.00		241,612.00	261,240.01	216,611.89
02/01/2024	500,627.91	238,372.00		238,372.00	262,255.91	208,560.02
02/01/2025	498,315.96	234,823.00		234,823.00	263,492.96	200,887.50
02/01/2026	495,912.63	236,068.00		236,068.00	259,844.63	189,893.05
02/01/2027	493,414.45	231,901.00		231,901.00	261,513.45	183,203.64
	4,454,547.34	2,221,514.73	-417,663.00	1,803,851.73	2,650,695.61	2,255,313.94

#### Savings Summary

PV of savings from cash flow	2,255,313.94
Less: Prior funds on hand	-2,196,071.00
Net PV Savings	59,242.94

## PRIOR BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park  
Neighborhood Preservation Refunding 2018

Period Ending	Principal	Coupon	Interest	Debt Service
02/01/2019	346,337.54	4.500%	96,015.15	442,352.69
02/01/2020	360,017.87	4.500%	149,012.16	509,030.03
02/01/2021	374,238.58	4.500%	132,811.44	507,050.02
02/01/2022	389,021.00	4.500%	115,970.64	504,991.64
02/01/2023	404,387.33	4.500%	98,464.68	502,852.01
02/01/2024	420,360.63	4.500%	80,267.28	500,627.91
02/01/2025	436,964.88	4.500%	61,351.08	498,315.96
02/01/2026	454,224.99	4.500%	41,687.64	495,912.63
02/01/2027	472,166.89	4.500%	21,247.56	493,414.45
	3,657,719.71		796,827.63	4,454,547.34



## ESCROW REQUIREMENTS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Neighborhood Preservation Refunding 2018

Period Ending	Interest	Principal Redeemed	Total
07/19/2018	8,229.87	3,657,719.71	3,665,949.58
	8,229.87	3,657,719.71	3,665,949.58

# BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park  
Santa Fe Refunding 2018

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2019	165,000	4.120%	45,814.40	210,814.40	210,814.40
08/01/2019	90,000	4.120%	39,552.00	129,552.00	
02/01/2020	90,000	4.120%	37,698.00	127,698.00	257,250.00
08/01/2020	95,000	4.120%	35,844.00	130,844.00	
02/01/2021	95,000	4.120%	33,887.00	128,887.00	259,731.00
08/01/2021	95,000	4.120%	31,930.00	126,930.00	
02/01/2022	100,000	4.120%	29,973.00	129,973.00	256,903.00
08/01/2022	105,000	4.120%	27,913.00	132,913.00	
02/01/2023	100,000	4.120%	25,750.00	125,750.00	258,663.00
08/01/2023	105,000	4.120%	23,690.00	128,690.00	
02/01/2024	105,000	4.120%	21,527.00	126,527.00	255,217.00
08/01/2024	110,000	4.120%	19,364.00	129,364.00	
02/01/2025	110,000	4.120%	17,098.00	127,098.00	256,462.00
08/01/2025	115,000	4.120%	14,832.00	129,832.00	
02/01/2026	115,000	4.120%	12,463.00	127,463.00	257,295.00
08/01/2026	120,000	4.120%	10,094.00	130,094.00	
02/01/2027	120,000	4.120%	7,622.00	127,622.00	257,716.00
08/01/2027	250,000	4.120%	5,150.00	255,150.00	
02/01/2028					255,150.00
	2,085,000		440,201.40	2,525,201.40	2,525,201.40

# NET DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park  
Santa Fe Refunding 2018

Date	Total Debt Service	Tax Increment from County	General Fund	Net Debt Service
07/01/2018		-191,891	-191,891.00	
01/01/2019		-38,073	-38,073.00	
02/01/2019	210,814.40		210,814.40	
08/01/2019	129,552.00		19,149.60	110,402.40
02/01/2020	127,698.00			127,698.00
08/01/2020	130,844.00			130,844.00
02/01/2021	128,887.00			128,887.00
08/01/2021	126,930.00			126,930.00
02/01/2022	129,973.00			129,973.00
08/01/2022	132,913.00			132,913.00
02/01/2023	125,750.00			125,750.00
08/01/2023	128,690.00			128,690.00
02/01/2024	126,527.00			126,527.00
08/01/2024	129,364.00			129,364.00
02/01/2025	127,098.00			127,098.00
08/01/2025	129,832.00			129,832.00
02/01/2026	127,463.00			127,463.00
08/01/2026	130,094.00			130,094.00
02/01/2027	127,622.00			127,622.00
08/01/2027	255,150.00			255,150.00
	2,525,201.40	-229,964	0.00	2,295,237.40

## SAVINGS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Santa Fe Refunding 2018

Date	Prior Debt Service	Refunding Debt Service	Refunding Expenses	Refunding Net Cash Flow	Savings	Present Value to 07/19/2018 @ 4.1196464%
02/01/2019	196,544.28	210,814.40	-229,964.00	-19,149.60	215,693.88	218,189.46
02/01/2020	230,886.91	257,250.00		257,250.00	-26,363.09	-23,909.19
02/01/2021	230,672.51	259,731.00		259,731.00	-29,058.49	-25,444.00
02/01/2022	230,448.62	256,903.00		256,903.00	-26,454.38	-22,138.24
02/01/2023	230,214.84	258,663.00		258,663.00	-28,448.16	-23,048.85
02/01/2024	229,970.73	255,217.00		255,217.00	-25,246.27	-19,538.91
02/01/2025	229,715.82	256,462.00		256,462.00	-26,746.18	-19,953.61
02/01/2026	229,449.58	257,295.00		257,295.00	-27,845.42	-20,007.67
02/01/2027	229,171.54	257,716.00		257,716.00	-28,544.46	-19,741.48
02/01/2028	228,881.22	255,150.00		255,150.00	-26,268.78	-19,192.16
	2,265,956.05	2,525,201.40	-229,964.00	2,295,237.40	-29,281.35	25,215.34

### Savings Summary

PV of savings from cash flow	25,215.34
Plus: Refunding funds on hand	-3,378.37
Net PV Savings	21,836.97

# PRIOR BOND DEBT SERVICE

Successor Agency to the Community Development Commission of the City of Huntington Park  
Santa Fe Refunding 2018

Period Ending	Principal	Coupon	Interest	Debt Service
02/01/2019	150,433.77	4.500%	46,110.51	196,544.28
02/01/2020	157,097.99	4.500%	73,788.92	230,886.91
02/01/2021	164,057.43	4.500%	66,615.08	230,672.51
02/01/2022	171,325.18	4.500%	59,123.44	230,448.62
02/01/2023	178,914.88	4.500%	51,299.96	230,214.84
02/01/2024	186,840.81	4.500%	43,129.92	229,970.73
02/01/2025	195,117.86	4.500%	34,597.96	229,715.82
02/01/2026	203,761.58	4.500%	25,688.00	229,449.58
02/01/2027	212,788.22	4.500%	16,383.32	229,171.54
02/01/2028	222,214.74	4.500%	6,666.48	228,881.22
	1,842,552.46		423,403.59	2,265,956.05

## ESCROW REQUIREMENTS

Successor Agency to the Community Development Commission of the City of Huntington Park  
Santa Fe Refunding 2018

Period Ending	Interest	Principal Redeemed	Total
07/19/2018	4,145.74	1,842,552.46	1,846,698.20
	4,145.74	1,842,552.46	1,846,698.20